THE
ECONOMIC IMPACT OF TOURISM
IN
WINCHESTER DISTRICT
2001

REPORT

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SOUTHERN TOURIST BOARD

CONTENTS

Glossary of terms

Day Visitor: Making a day trip to and from home for non-regular leisure purposes and one-off business trips. This report presents data on all day visits as defined by the Day Visits Survey 1998 and a subset who took trips of at least 3 hours duration and involving a round trip of 20 miles or more.

Staying Visitor: Staying away from home for at least one night. Often measured in trips to overcome the issue of one visitor making two or more trips to an area in a given period.

Holidays: Holiday trips by UK residents are divided into short and long holidays, 1-3 nights and 4+ nights respectively.

VFR: Visits to friends or relatives as the main purpose for making a trip. While many trips to visit friends and relatives will be accommodated in the homes of these friends/relatives, but this should not always be assumed to be so. Conversely, some holiday trips will be spent in the homes of friends or relatives.

Other trips: Other trips are made for a variety of purposes and include short education courses and health treatment. Language courses make up a significant proportion of 'other' trips made to the UK by overseas residents.

FTE: Full Time Equivalent job. For the purposes of the Model, a FTE is defined by the average annual salary plus employment costs in the sector concerned.

IPS: International Passenger Survey, undertaken annually by the Department of Culture, Media & Sport, gauges the volume and value of visitors to the UK from overseas. Information is drawn from the 1999 survey.

UKTS: United Kingdom Tourism Survey, undertaken annually for the four national tourist boards in the UK, gauges the volume and value of visitors to the UK from within the UK. Information is drawn from the 1999 survey.

DVS: Day Visits Survey undertaken at varying intervals for various sponsors to gauge the volume and value of day trips from home. Information is drawn from the 1998 survey, although breakdowns are provided to bring results in line with the definition used in the 1991/92 survey (irregular visits of 3 hours or more duration).

INTRODUCTION

Outline of the Report

This report contains the findings of a study commissioned by Winchester City Council and undertaken by the Southern Tourist Board (STB) Research Service. The overall aim of the research is to provide indicative estimates of the volume of domestic and overseas overnight and day trips to the District, and to evaluate the economic impacts of these trips, in terms of the income generated and jobs sustained by visitor spending.

The research involved the application of the Cambridge Tourism Economic Impact Model or ‘Cambridge Model’, a computer-based model developed jointly by PA Cambridge Economic Consultants Ltd, Geoff Broom Associates and the Regional Tourist Boards of England.

There are four parts to this report. The Executive Summary of key findings is presented in Section One. Section Two outlines the background to the study and its aims and objectives. The Section includes a short description of the Cambridge Model sketching out its methodology and data sources. A fuller description of the model is attached in the appendices. Data resulting of the application of the modelling exercise is presented in Section Three and is organised into three sub-sections: estimated volume of visitors; estimated expenditure of visitors; and jobs created by visitor spending. Section Four concludes the report.

Executive Summary

01 | SECTION

Key headline figures:

Table 1: Key facts on tourism in Winchester	Trips		Bed Nights		Spend	
	Winchester	STB	Winchester	STB	Winchester	STB
Domestic staying Visitors	346,300	12,400,000	1,263,300	42,500,000	£35.7mn	£1,371bn
Overseas Staying Visitors	54,700	2,050,000	289,400	15,500,000	£12.9mn	£774mn
Day Visitors	3,625,000	87,000,000	-		£86.6mn	£1,408bn
All Visitors	**4,026,000**	**101,450,000**	**1,552,700**	**58,000,000**	**£135.4mn**	**£3,553bn**
Employment in Tourism	**Direct**	**Indirect**	**Total**			
FTE jobs	**2,060**	**813**				
Actual jobs	**3,037**	**926**	**3,962**			

a) Volume of tourism

- Overall, an estimated 4 million trips are attracted to Winchester each year. Of the total, some 401,000 stay at least one night in the District, with around 346,000 staying trips by domestic visitors (84%) and 55,000 by overseas visitors (16%).

- Staying trips result in an estimated 1,552,700 bednights each year, of which 1,263,300 are domestic visitor bednights (77%) and 289,000 are overseas visitor bednights (23%).

- By far, the largest group of visitors are day visitors. Approximately 3.6 million tourism day trips from home are made to the District annually (lasting more than 3 hours and involving a round trip of 20+ miles).

- Of these trips, 59% are primarily to town locations and 41% to countryside areas in the District.

b) Profile of overnight trips to Winchester

- Interestingly the patterns of trips according to 'purpose of visit' are similar for both domestic and overseas visitors: holiday trips account for 54% of domestic staying trips, and 47% of overseas trips; around 28% of visits for both groups is to see to friends and family; 13% of domestic trips and 21% of overseas trips are for business purposes. Around 5% of domestic and overseas visits are for 'other' purposes. These includes house hunting, weddings and funerals, and visits by overseas language students.

c) Value of tourism

- Tourism expenditure is directly worth somewhere around £135.4 million to Winchester's economy. Linkage effects generate an additional £26 million, boosting tourism's contribution to the District's economy to £161 million per year.

- 64% of all visitor expenditure is accounted for by day visitors, who spend over £86.6 million each year in the District.

- 26% of total visitor expenditure is accounted for by domestic staying visitors, who spend an estimated £35.7 million a year. The remaining 10% is generated by overseas staying visitors who spend approximately £13 million.

d) Economic impact and jobs

- 36% of total visitor expenditure (including spend by day visitors from home) in the Winchester is spent on catering (£48.3 million). The second largest spend of 27% is on retail (£37,1 million); accommodation and transportation come close at around 17% and 18% of visitor spend (£17.2 million and £18.4 million respectively). Relatively less, 10%, is spent on attractions, entertainment and leisure (11%).

- The spending of visitors directly supports an estimated 2,060 full time equivalent (FTE) jobs in the District, representing 3,037 'actual' jobs (taking into account part time and seasonal employment).

- Indirectly, visitor spending supports a further 813 FTE (or 926 actual) jobs.

- The total number of actual jobs directly and indirectly sustained by tourism in the District is therefore estimated to be 3,962.

c) Summary of main changes since 1998:

- The total number of domestic staying trips have come down slightly (3%) from 357,000 in 1998 to 346,000 in 2000. The decrease in overseas staying trips is much greater, down 45% from 100,000 in 1998 to 55,000 in 2000.

- Overall, staying trips to Winchester District down by 12% from 457,000 in 1998 to 401,000 in 2000.

- Conversely, there is indicative evidence that day visits from home increased significantly from 3,625,000 in 2000 compared with 2,255,000 in 1998, an increase of 61%.

- Business trips – as a proportion of domestic staying trips and spend, relatively unchanged, however, significant increase in overseas business trips (21% in 2000 compared with 9% in 1998) and proportion of overseas visitor spend (35% in 2000 compared with 18% in 1998).

- Expenditure within the district by staying visitors decreased from £61.8m in 1998 to £48.7m in 2000, however, expenditure by day visitors from home more than doubled from £37.9m in 1998 to £86.9m in 2000.

- It is estimated that total visitor expenditure increased from £99.7 million in 1998 to £135.4 million in 2000.

- Major shift in direct visitor expenditure in the District – 64% of all visitor expenditure generated by day visitors from home in 2000 (compared with 38% in 1998). Staying visitor expenditure accounted for only 36% of all visitor expenditure in 2000 (26% by domestic staying visitors and 10% by overseas staying visitors), compared with 62% in 1998 (40% by domestic staying visitors and 22% by overseas staying visitors).

- The increase in the total visitor expenditure is reflected in an increased number of jobs sustained within the District (3,962 actual jobs in 2000, compared with 3,172 actual jobs in 1998).

02 SECTION

a) Background and Purpose

In order to plan and market effectively for tourism, readily available information on the volume of visitors to an area and their economic impact on the local economy are essential. The economic significance of tourism is in particular highlighted in job creation. Employment in tourism-related industries has shown strong growth trends during the 1990s, and in many ways these have been a continuation of trends recognised during the 1980s[1]. For the Southern Tourist Board Region, a recent labour market study reveals that employment in the tourism industry in the south east of the region grew by 15.5% between 1991 to 1998 compared with 11% nationally[2].

The Government in recognition of the critical role tourism plays in local economic development has given added impetus to the drive to gather volume and value data[3]. Estimating the economic impact of tourism at the local level is, however, hampered by the lack of available meaningful data. The problem is two-fold:

- tourism statistics are generally derived from national surveys. These are often poor at providing local information;

- local survey data are variable in their quality, reliability and comparability. They are also rarely comprehensive enough to present a complete picture.

Ideally, a detailed survey of local tourism in all its aspects would be necessary to fill information gaps. For most local authorities this is prohibitively expensive and time-consuming. In response to the need for a cost-effective way of estimating the economic impact of tourism at the local level using existing data sources (national, regional and local), the Cambridge Model has been developed.

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[1] British Tourism Authority (2001) Digest of Tourism Statistics. BTA, London; Office for National Statistics (1999), Labour Force Survey. ONS, London.
[2] First Draft Report (2001) Tourism and Leisure Market Intelligence and Skills Data for South East of England. SEEDA and Southern & South East Tourist Boards.
[3] Department for Culture, Media and Sport (1998) Measuring the Local Impact of Tourism; Department for Culture, Media and Sport (2000) Tomorrow's Tourism.

b) The Cambridge Model

The Cambridge Model is essentially a computer-based spreadsheet model that produces estimates from existing national and local information (e.g. accommodation stocks, inbound trips) of the level of tourism activity within a given local area. The volume of visits are translated into economic terms by estimating the amount of spending by visitors based on their average spend per trip. In turn, the impact of that spending can be translated to estimate the effects in terms of **sales**, **income** and **jobs**. The standard measures generated in this Model are: the total amount spent by visitors, the amount of income for local residents and businesses created by this spending, and the number of jobs supported by visitor spending. This report focuses on total revenue raised from visitor spending in Winchester and the estimated number of full-time equivalent and actual jobs sustained by that spending.

As the Model utilises a standard methodology capable of application throughout the UK, it offers the potential for direct comparisons with similar destinations throughout the country.

The basic process of estimation used can be divided into two parts:

Box 1: The Cambridge Model – Inputs

- visitor trips and visitor spending at a regional/county level derived from national survey sources (county/district)
- local supply data on accommodation, attractions and other factors specific to Winchester
- The use of multipliers derived from business surveys in England to estimate full time equivalent and actual jobs generated by visitor spending in the area.

The key utility of the Cambridge Model is that it can take regional and/or county breakdowns from national surveys and apportion them on a sub-regional (county/district) basis. Regional and/or county estimates of tourism volume and expenditure derived from the following national surveys: United Kingdom Tourism Survey (UKTS), 1997, 1998, 1999; International Passenger Survey (IPS), 1997, 1998, 1999; and, Leisure Day Visits Survey, 1998 (LDVS).

The regional data drawn from the above surveys used in the Model is mostly from 1999, which was the last full year that all the required information was available. However, rather than using a year on year breakdown of the national data (UKTS/IPS), the 2000/1 Model now uses a three year rolling average in order to smooth out the year on year fluctuations that occur in the national data and ultimately the model.

The Model generates local estimates from the regional/county data by using locally available survey data. The local sources of information used in the calculations include resident population data, local employment levels, records of known local accommodation stock held by Regional Tourist Boards, and Tourist Board survey of Visitor Attractions. This enables the Model to take into account local variations in the amount and composition of visitor expenditure compared with Regional averages.

In the second stage of the modelling process, expenditure by different groups of tourists is broken down into the main economic sectors using data derived from the national surveys to estimate the business turnover generated in those sectors. Using data from a number of business surveys carried out in various locations in England, the turnover is apportioned between wage costs, the purchase of local supplies and services and other expenditure. The number of full time equivalent jobs directly arising in tourism related businesses and indirectly in supply businesses is then calculated, and estimates of actual jobs based on the proportion of seasonal/part time and full time employees in each sector generated.

The sophistication of the economic impact estimates will depend on the availability of detailed reliable local information to supplement national and regional data sources. Where such data is available from local business surveys, then local variations can be explicitly included. However, in most cases, the model makes use of a range of data sources drawn from studies undertaken in different parts of the country. Some of these use different methodologies and are estimated to different levels of accuracy. The estimates generated by the Model should only be regarded as indicative of the scale and importance of visitor activity in the local area.

Because of the absence of survey data, the standard Model cannot take account of any leakage of expenditure arising from visitors taking day trips out of the area in which they are staying. Likewise, it does not include any expenditure by day visitors who are on holiday outside of the area. Normally, it is assumed that these leakages/additions broadly cancel each other out.

c) Objectives of Economic Modelling

In applying the Cambridge Model, the main objectives are to provide information on visitors to Winchester, and their economic impact, which will strengthen the District's commitment to promoting the area and assist decision-makers in formulating tourism development and marketing policies. This will also assist in raising the awareness of the profile and local importance of tourism in the District.

The Model will be used to:

Box 2: The Cambridge Model – Outputs

- derive estimates of the volume of domestic and overseas staying visitors visiting the Winchester during the year, by type of accommodation and purpose of visit;
- derive estimates of the volume of day visitors visiting Winchester during the year, by purpose of visit;
- derive estimates of the value of tourism spending accruing to Winchester, and the impact of this spending on different sectors of the local economy, in terms of jobs supported.

03 SECTION

a) Estimates Volume of Visitors

i) Method

The first stage of the economic analysis involves the use of existing national and local data sources to generate estimates of the volume of visitors to the Winchester. The visitor number estimates used in the first stage of the Model are based on three main sources of information. These are the United Kingdom Tourism Survey (UKTS) 1997-1999, the International Passenger Survey (IPS) 1997-1999, and the Leisure Day Visits Survey 1998. Three year rolling averages of UKTS and IPS data have been used to smooth out year on year fluctuations.

In order to distribute the regional visitor totals at the local level, it is assumed that the volume of staying visitors to Winchester, by type of accommodation, is directly related to the known bedstock of the area. Estimates of the number of trips to commercial accommodation in the area are derived using data on the known bedstock in the District from the Southern Tourist Board's accommodation database.

To estimate the number of visitors staying with friends and relatives in the District (VFR), a similar process has been followed using regional estimates from the UKTS and IPS and data on the District's resident population extracted from the Registrar General's 1999 population estimates, based on the 1991 Census of Population.

ii) Local Accommodation Stock (Table 2)

Records of local accommodation stock are held by the District and by the Southern Tourist Board. The profile of commercial accommodation stock in the District, taken from the Southern Tourist Board and Tourist Information Centre records is presented in Table 2 and shows that the Hotel/Guest House sector provides the largest number of bedspaces.

Table 2: The known stock of accommodation in Winchester		
Accommodation type	**Number of establishments**	**Number of bedspaces**
Hotel/Guest House	46	1,706
B&B establishment	165	699
Total serviced	***211***	***2,335***
Touring/static caravan/tent	1	150
pitches	0	0
Cottages/ houses/ flats	18	1,022
Farms	2	3
Group accommodation	4	1,636
Total non-serviced	***25***	***2,811***

Source: Southern Tourist Board Accommodation Database, TIC records

iii) Staying visitors by type of accommodation (Table 3)

Table 3 shows estimates for the numbers of visitors staying in different types of accommodation in the District.

A ‘hotel’ is defined as any serviced establishment, other than a bed and breakfast or farm-based establishments, and includes inns, motels, and guest houses as well as hotel accommodation. ‘Other’ accommodation includes second homes and timeshare accommodation. Group accommodation refers to establishments such as youth hostels.

Table 3: Staying visitors by type of accommodation	Domestic trips	Overseas trips	Total trips	%
Hotel/guest house	57,889	7,843	65,732	16
B&B establishment	15,874	11,226	27,100	7
Self catering house/flat	95,938	7,630	103,568	26
Touring caravan/tent	5,665	361	6,027	2
Static caravan	0	0	0	0
Group accommodation	2,406	4,908	7,315	2
Total in commercial accommodation	**177,772**	**31,968**	**209,742**	**52**
Other accommodation	21,227	1,861	23,088	6
In homes of friends & relatives	147,290	20,828	168,118	42
Total in non-commercial accommodation	**168,517**	**22,689**	**191,206**	**48**
Total	**346,289**	**54,658**	**400,947**	**100**

(Less than 0.5%)*

Drawing on the Model, it is estimated that in the order of 346,000 domestic staying visitor trips and 55,000 overseas visitor trips per year are spent in the District.

The estimations suggest that a significant proportion of domestic visitors (48%) and overseas visitors (41%) stay with friends and relatives (VFR) or in other non-commercial accommodation such as second homes. The remaining 210,000 trips are spent in commercial establishments in the District.

When the estimates for VFR and 'other accommodation' are deducted from the whole, it is suggested that half (49%) of all trips (domestic and overseas) in commercial accommodation are spent in self-catering accommodation within the District, one third (32%) in the District's hotels and guest houses, 13% in bed and breakfast establishments, and 6% in touring or group accommodation (the percentages in the table above relate to the overall number of visitors by accommodation, that is commercial and non-commercial).

iv) Staying visitors by purpose of visit (Table 4a & 4b)

The second stage of the Model separates the total number of trips to the District into four main purpose categories. This is because the average length of stay and average expenditure varies considerably according to the purpose of trip, as does the composition of expenditure on accommodation, shopping, eating out, and so on, resulting in different impacts on the local economy. Regional surveys, population data and local bedstock data are the main sources of information for deriving estimates of trips and bednights by purpose. The main purpose categories are:

- Holiday trips (which for domestic trips are broken down further into short holidays of 1-3 nights and long holidays of 4+ nights)
- Business trips (including conference trade)
- Visits to friends and relatives for social and personal reasons(VFR)
- Other purposes, such as language teaching, hospital trips, house hunting, and sport activities, together with trips with multiple purposes.

Table 4a – Staying visitor average length of stay by purpose of visit

	Domestic visitors nights	Overseas visitors Nights
Long Holidays	6.0	
Short Holidays	1.9	
All holidays	4.5	4.9
Business	2.8	4.1
VFR	2.4	6.9
Other	3.7	5.1

The Model estimates that the average length of stay by all purpose of visit categories are relatively short. The longest average length is about 7 days for overseas visitors staying with friends or relatives. The shortness in duration may be accounted by the relatively large number of 'short holiday' visits.

Key Findings

The Table overleaf shows indicative estimates of the annual number of staying trips and bednights spent in Winchester, according to purpose of visit, and split by domestic and overseas visitors.

Table 4b - Staying visitor trips and nights by purpose of visit

	Domestic visitors		Overseas visitors		Total	
	trips	Nights	trips	nights	Trips	Nights
Long holidays	115,000	694,900				
Short holidays	71,200	140,000				
All holidays	**186,200**	**834,800**	**25,500**	**124,000**	**211,600**	**958,900**
Business	45,700	127,000	11,300	46,500	57,000	173,600
VFR	96,100	233,600	15,400	106,000	111,500	339,600
Other	18,300	67,900	2,500	12,800	20,800	80,700
Total	**346,300**	**1,263,300**	**54,700**	**289,400**	**400,900**	**1,552,700**

NB Figures have been rounded

v) Domestic staying visitors (Figures 1 – 2)

Drawing on the data from the table above, it is estimated that 28% of all domestic visitor trips to the District are to visit friends and relatives in the area (see Figure 1 below).

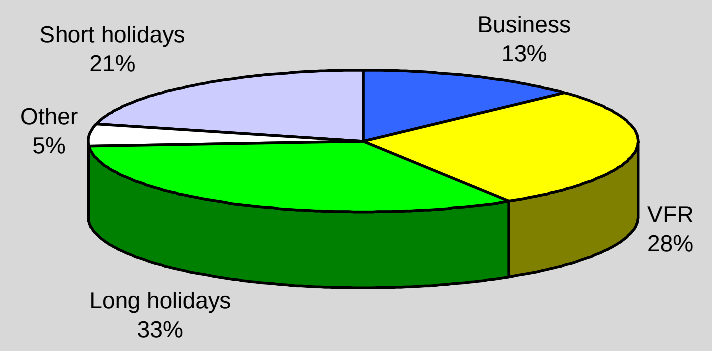

Figure 1: Domestic staying visitors – trips

A further 21% of domestic staying trips are short holidays and 33% are long holidays, although it can be assumed that a significant proportion of visitors on these trips stay in the homes of friends or relatives rather than in commercial accommodation. This would correspond with the significantly large number of overnight trips estimated to be spent in the homes of friends or relatives.

13% of domestic staying trips to the District are for business purposes. It should be borne in mind that the majority of these trips are spent in serviced accommodation. The remaining 5% of trips are for 'other' purposes, including house-hunting, weddings, hospital trips etc.

Figure 2 gives a breakdown of domestic visitor bednights by purpose of visit.

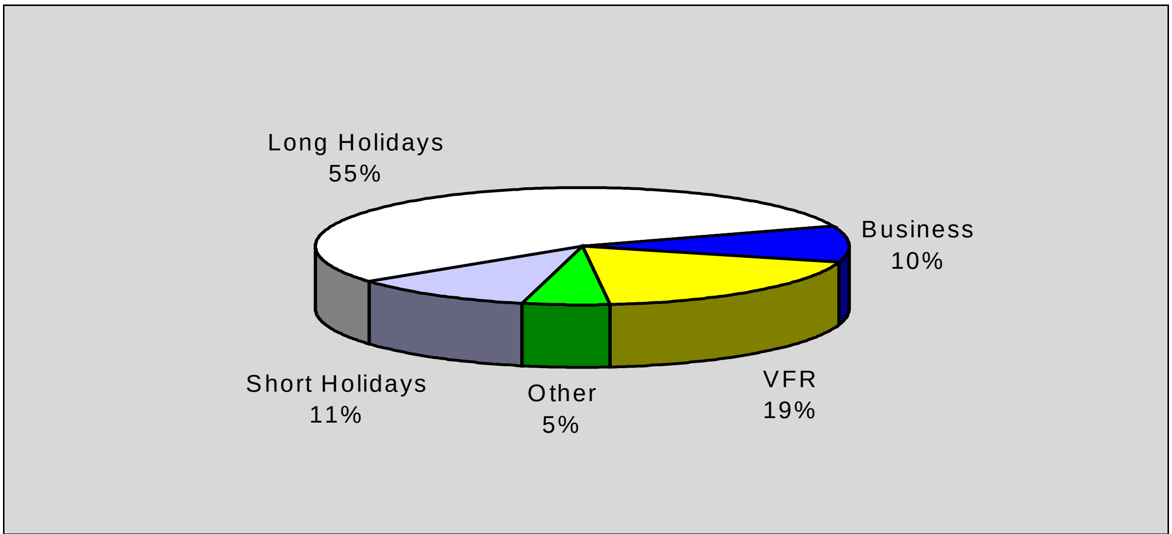

Figure 2: Domestic staying visitors – bednights

As might be expected, those on 'long holidays' use up most bednights. It is estimated that this group accounts for 55% of bednights. 11% of bednights are spent in the District by visitors on short holidays. Staying visits to friends and relatives account for 19% of bednights spent in the District, business visits account for 10% of bednights, and 'other' staying visits, 5%.

vi) Overseas staying visitors (Figures 3 – 4)

As Figure 3 shows, 47% of staying trips by overseas visitors to the District are holiday trips, while an estimated 28% are holiday trips to visit friends and relatives in the area. A smaller proportion of trips (21%) are for business purposes. The remaining 4% are for other purposes, including trips by language students staying with host families.

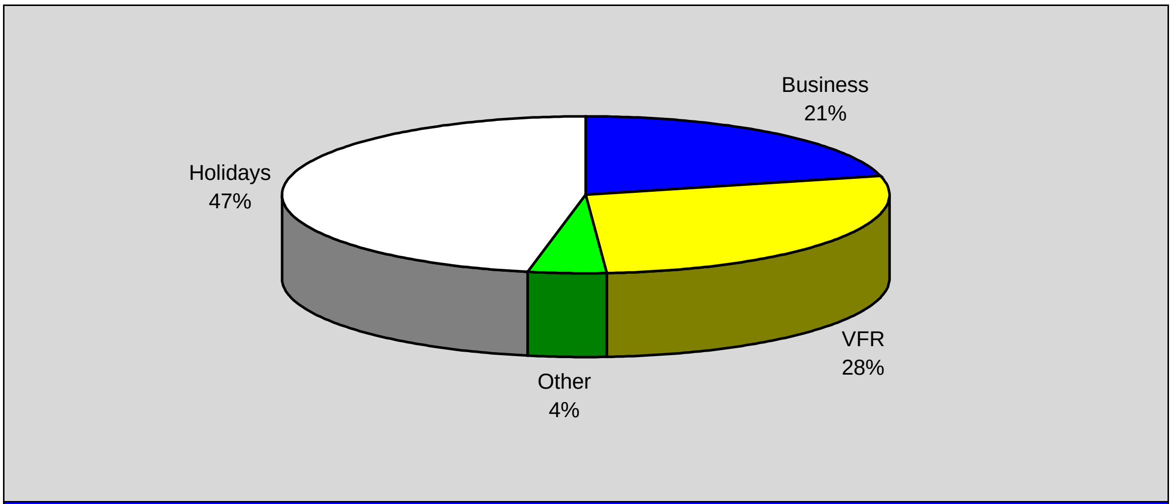

Figure 3: Overseas staying visitors – trips

In terms of bednights (Figure 4), the majority of overseas bednights in the District are again spent by visitors on holiday (43%). 37% of bednights spent in the District by overseas visitors are accounted for by visits to friends or relatives, while overseas business visitors are less significant in terms of bednights, accounting for 16% of the total (compared with 21% of trips). Other trips account for 4% of nights spent in the District by overseas visitors.

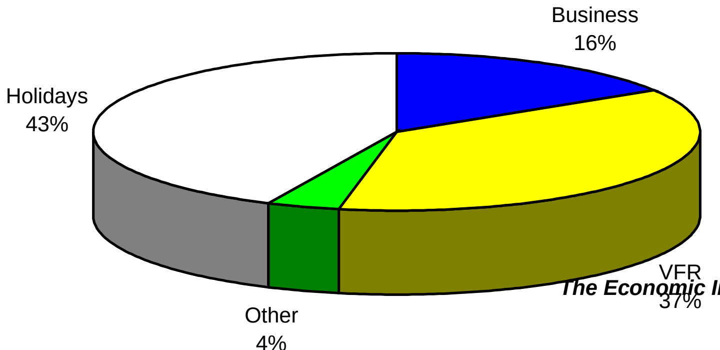

Figure 4: Overseas staying visitors – bednights

vii) Day trips from home (Table 5)

The day visitor estimates generated by the Model are generally divided into three main categories of trip, based on the format used in the 1998 Leisure Day Visits Survey (LDVS). These are distinguished according to the destination of the trips as follows:

- Coastal trips, including trips to beaches and seaside resort areas.
- Town/city trips, including shopping trips and trips to entertainment venues in towns.
- Countryside trips, for sightseeing, walking, sport etc.

The LDVS distinguishes between all leisure day trips and tourism day trips. The latter are defined as those which are 3 hours or more in duration and taken on an irregular basis. Leisure day trips are taken for a wide range of purposes including leisure shopping, visits to cinemas, theatres and clubs, sports events and activities, visits to friends and relatives, informal countryside activities and visits to attractions.

The LDVS provides information on day trips at the regional level. To estimate the number of day trips at a sub-regional level, the Model utilises different 'drivers' for each trip category.

A high proportion of both town and country trips involve round trip travel of less than 5 miles, and are assumed to be largely local trips by residents within the local area. The distribution of non-local trips will be influenced by the distribution of visitor attractions. The Tourist Board's Visits to Attractions Survey provides information on the number of visitors to the main attractions in Winchester. These attractions are categorised according to whether they are in urban or countryside locations.

The bulk of trips to urban centres are made up of visits for leisure shopping, cultural or sports activities and events and visits to friends and relatives. Employment in the shopping, entertainment and leisure sectors provides a proxy measure of the relative attractiveness of urban areas, with larger centres being relatively more attractive than smaller ones.

The level of trips to the countryside will partly depend on attractions located in rural areas and partly on the amount and attractiveness of the countryside within the district. The Model therefore uses an estimate of the amount of countryside and the level of visits to attractions within it.

For the purposes of this study, the Model is used to generate estimates of tourism day trips based on the 1998 Leisure Day Visits Survey, with some adjustment to take account of trends in day trip growth and average spend per trip.

Table 5 – Tourism day visitor trips by UK residents from home

Type of trip	Number of day trips
	Trips (%)
Town trips	2,122,500 (59)
Countryside trips	1,502,700 (41)
Total	**3,625,200 (100)**

Overall, it is estimated that 3,625,000 day trips are made to Winchester District each year.

41% of day trips are to the District’s countryside areas, including rural villages and attractions such as the Watercress Line, Marwell Zoo and Hinton Ampner. The remaining 59% of trips are town trips to Winchester City and other town centres, and include day business trips.

viii) Day visitors on holiday

Recent national surveys have not collected data on day visitors on holiday, i.e. visitors on day trips from accommodation outside of a particular area. For most destinations, it may be assumed that the expenditure of these visitors is equal to the expenditure outside the host destination and thus cancel each other out. *The spending of day visitors on holiday* *is therefore excluded from the analysis of expenditure and jobs sustained by visitor spending in the remainder of this report.*

b) Estimated Expenditure of Visitors

i) Method

Having generated estimates of the volume of trips to Winchester by purpose of visit, it is possible to calculate estimates of total spend by purpose of trip. For staying visitors, average expenditure information derived from regional breakdowns of UKTS and IPS has been used.

ii) Expenditure by purpose of visit (Tables 6 – 8)

Table 6 shows the estimated average daily expenditure and average total spend per trip for domestic and overseas staying visitors to Winchester District, by purpose of visit. In terms of visitor spend per head per 24 hour period, the highest spending visitors are overseas and domestic business visitors (£98 and £41 respectively), domestic short holiday visitors (£42) and overseas 'other' visitors (£46).

When spend over the full duration of the trip is taken into account, overseas visitors emerge as the highest spending visitor types. Overseas visitors on business spend an average of £402 per trip, VFR visitors £223 per trip (reflecting a relatively long average length of stay) and those on holiday £173 per trip. Those on 'other' trips spend around £230 per trip. The relatively high expenditure figures for overseas VFR and 'other' trips reflects the longer average length of stay for these visitors. By comparison, domestic visitors on long holidays spend around £169 per trip; those on business £115 per trip; short break visitors £82 per trip; VFR visitors £39 per trip, and `other' visitors £81 per trip.

Day visitor spend varied significantly according to the destination of the trip. The average for day trips to town or city locations was £30 per trip, compared with £16 per trip for countryside trips.

Table 6 - Average daily and trip expenditure of visitors to WINCHESTER, by purpose of visit (£)				
Type of visitor	**Domestic visitor spend (£)**		**Overseas visitor spend (£)**	
	per 24 hrs	**per trip**	**Per 24 hrs**	**per trip**
Staying visitors:				
Long holidays	27.97	169.05		
Short holidays	41.64	81.80		
All holidays	**30.26**	**135.66**	**35.54**	**173.24**
Business	41.47	115.42	97.74	402.25
VFR	16.09	39.08	32.37	223.23
Other	21.89	81.22	45.66	230.81
			Day visitor spend per trip (£)	
Day visitors:				
Town/city trips			29.77	
Countryside trips			15.76	

By applying the above average expenditure figures to estimates of the volume of nights spent in the District and day trips and adjusting for regional disparity, estimates of total expenditure by purpose of visit can be calculated. Tables 7 and 8 show the estimated expenditure of staying and day visitors to Winchester by purpose of visit.

Table 7 – Total annual expenditure by purpose of visit (£) - staying visitors						
	Domestic visitors (£)	**(%)**	**Overseas visitors (£)**	**(%)**	**Total (£)**	**(%)**
Long holidays	19,432,500	54				
Short holidays	5,827,600	16				
All holidays	25,260,100	71	4,408,700	34	29,668,700	61
Business	5,268,800	15	4,546,700	35	9,815,500	20
VFR	3,757,100	11	3,431,900	26	7,189,000	15
Other	1,487,200	4	584,000	5	2,071,100	4
Total	**35,773,100**	**100**	**12,971,100**	**100**	**48,744,300**	**100**

NB The totals in the above table may not sum due to rounding

It is therefore estimated that domestic staying visitors spend nearly £36 million per year in Winchester District and overseas staying visitors an additional £13 million.

Holiday visitors account for 71% of the total and VFR visitors 11% of the total. 15% of domestic staying visitor expenditure in the District is from business visitors. Only one third (34%) of overseas total staying visitor spending is by holiday visitors. 35% of overseas expenditure is by business visitors, 26% by VFR visitors and 5% by 'other' visitors.

Table 8 - Expenditure by purpose of visit (£) – day visitors

Type of day trip	Total expenditure (£)
	Spend (%)
Town trips	63,181,000 (73)
Countryside trips	23,680,800 (27)
Total	**86,681,800 (100)**

NB The totals in the above table may not sum due to rounding.

It is estimated that day visitors spend over £86.6 million per year in Winchester District.

The majority of this expenditure (73%) is by those visiting Winchester city centre or other town centres, and hence spending more on shopping than day visitors to other parts of the District. The remaining 27% of day visitor expenditure is derived from visitors on day trips to the countryside.

iii) Expenditure by sector (Tables 9 – 12)

The total spend of visitors in the District can be broken down into categories of spend, based on regional breakdowns of national survey data. The categories used are spend on accommodation, shopping (retailing), eating and drinking (catering), entertainment and entry to attractions, and transport (including spend on fuel and public transport).

Table 9 shows the overall spend of domestic staying visitors by sector, Table 10 shows the overall spend of overseas staying visitors and Table 11 shows the same information for day visitors to Winchester.

Table 9 - UK staying visitors – Expenditure by sector (£000's)

	Accom.	Retail	Catering	Attract's & Ents	Transport	Total (%)
All holidays	9,598,800	3,283,800	6,567,600	1,768,200	4,041,600	25,260,100
Business	2,581,700	105,400	1,264,500	263,400	1,053,800	5,268,800
VFR	225,400	713,800	1,202,300	225,400	1,390,100	3,757,100
Other	550,300	178,500	386,700	89,200	282,600	1,487,200
Total (%)	**12,956,200**	**4,281,500**	**9,421,100**	**2,346,300**	**6,768,100**	**35,773,100**

N.B. The totals in the above table may not sum due to rounding; £000's = 100,000

Table 10 - Overseas staying visitors - Expenditure by sector (£000's)

	Accom.	Retail	Catering	Attract's & Ents	Transport	Total (%)
All holidays	1,490,100	1,216,800	991,900	286,600	423,200	4,408,700
Business	2,096,000	709,300	904,800	386,500	450,100	4,546,700
VFR	573,100	1,135,900	888,900	435,800	398,100	3,431,900
Other	154,200	192,100	79,400	125,600	32,700	584,000
Total (%)	**4,313,400**	**3,254,100**	**2,865,000**	**1,234,400**	**1,304,100**	**12,971,200**

N.B. The totals in the above table may not sum due to rounding

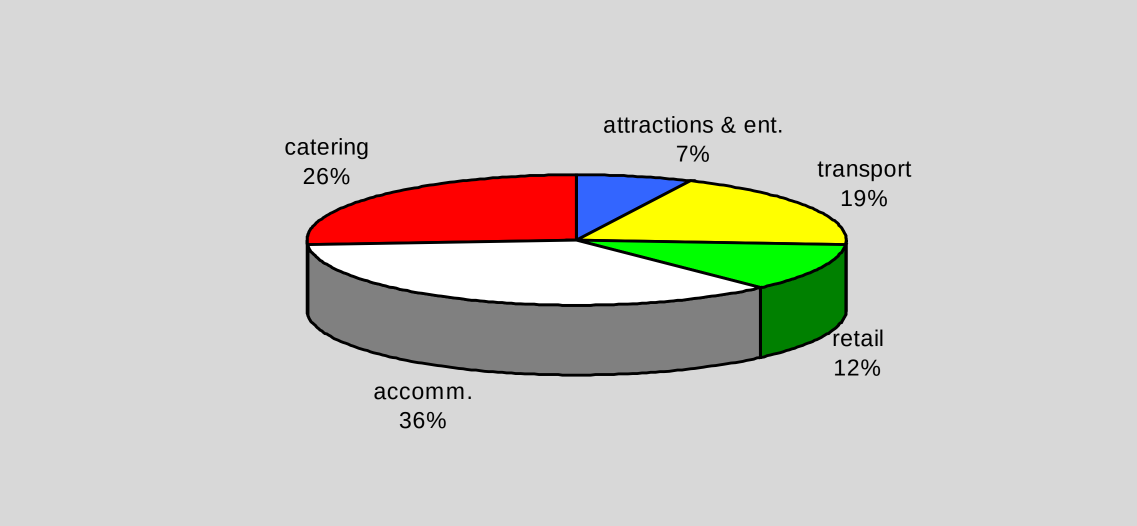

Figure 5 Spending by sector -domestic visitors

Figures 5 and 6 illustrate the different spending patterns of domestic and overseas visitors to Winchester District by percentages. While domestic visitors spend a larger proportion of their overall expenditure on catering (26%) and transport (19%), overseas visitors spend significantly more on shopping in the District (25% of spend) and at attractions/entertainment venues (10%).

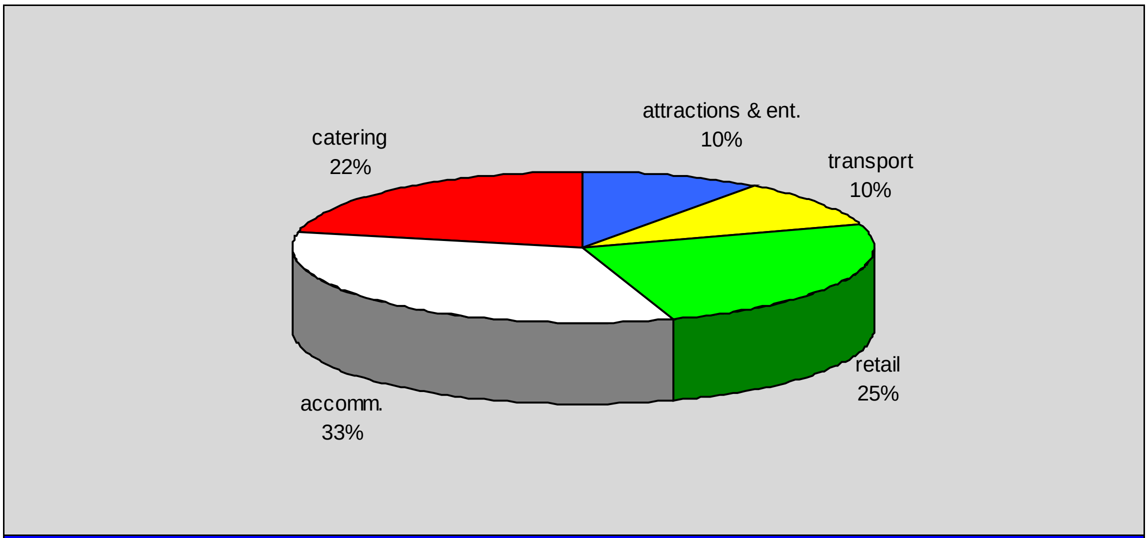

Figure 6 Spending by sector - overseas visitors

Day visitors to Winchester spend an estimated £86.9 million pounds in the District, the majority of which (42%) is spent in restaurants, cafes, pubs and other catering establishments.

Table 11 – Day visitors - Expenditure by sector (£000's)

	Retail	Catering	Attract's & Ents	Transport	Total (%)
Town trips from home	28,431	22,113	6,318	6,318	63,181 (73)
Countryside trips from home	1,184	13,972	4,499	4,026	23,681 (27)
Total	**29,615 (34)**	**36,085 (42)**	**10,817 (12)**	**10,344 (12)**	**86,862 (100)**

N.B. The totals in the above table may not sum due to rounding.

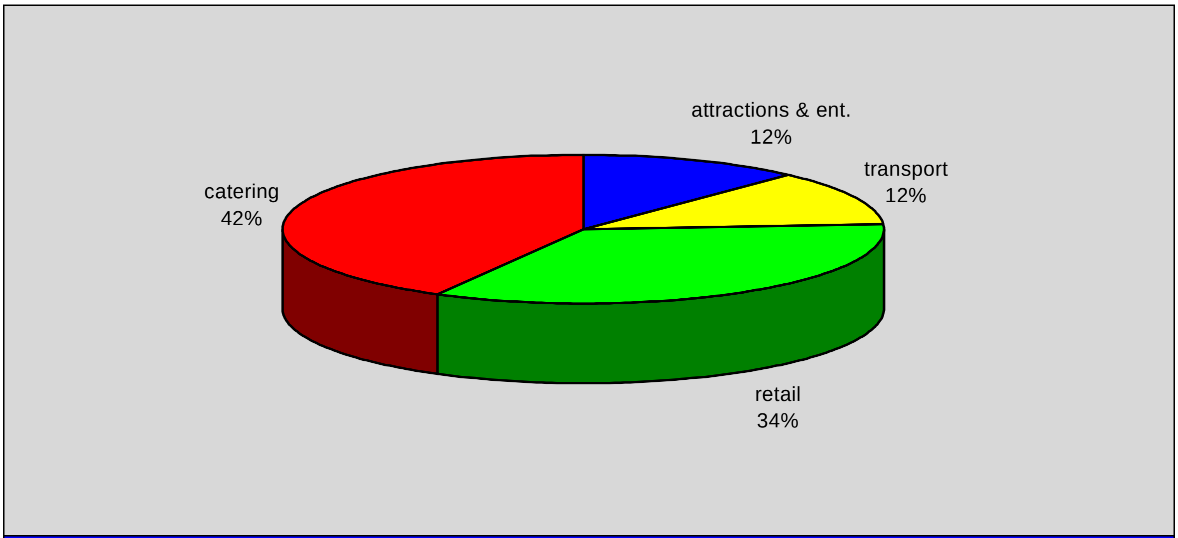

Figure 7: Spending by sector - day visitors

Table 12 - Expenditure by sector - All Visitors (£000's)						
	Accom.	**Retail**	**Catering**	**Attract's & Ents**	**Transport**	**Total (%)**
UK staying	12,956,200	4,281,500	9,421,100	2,346,300	6,768,100	**35,773,100 (26)**
Overseas staying	4,313,400	3,254,100	2,865,000	1,234,400	1,304,200	**12,971,100 (10)**
Day visitors	0	28,431,400	36,085,000	10,817,500	10,343,800	**86,681,800 (64)**
Total (%)	**17,269,600 (13)**	**37,151,100 (27)**	**48,371,100 (36)**	**14,398,200 (11)**	**18,416,000 (13)**	**135,426,011 (100)**

N.B. The totals in the above table may not sum due to rounding

In terms of total annual tourist expenditure in Winchester District (Table 12), the most significant visitor type is the day visitor, accounting for 64% of total visitor expenditure. Expenditure by domestic staying visitors account for one quarter (26%) of total visitor expenditure, while overseas staying visitors account for just 10% of total visitor spend in the District.

c) Jobs Created by Visitor Spending

i) Method

The next stage of the analysis generates estimates of the employment impacts of visitor spending for each business sector affected by tourism in the District. The spending of visitors within the local area becomes sales or receipts for local businesses selling their products or services to visitors. Income is the sum of salaries accruing to workers in these businesses. Employment is the number of jobs supported/sustained by the given level of sales. Jobs are represented as full-time equivalent (FTE) and actual (the latter includes part-time and seasonal employment).

The Model uses national survey data and information from detailed local business surveys undertaken by Geoff Broom Associates, PA Cambridge Economic Consultants and others, to estimate the proportion of total turnover that is retained as wage costs. By applying regionally adjusted average annual wage costs to these estimates, the number of FTE jobs directly supported by tourist spending can be calculated.

To generate estimates of the numbers of FTE jobs indirectly sustained by tourist spending (linkage and multiplier jobs), the Model again applies ratios derived from past business surveys undertaken by Geoff Broom Associates, PACEC and others. Finally, the number of actual jobs by sector is estimated to take account of part-time and seasonal employment.

ii) Direct FTE jobs by business sector

'Direct' employment is defined as those jobs within the District, including both working proprietors (self-employed) and employees, in businesses where visitors spend money. Table 13 overleaf shows the estimated turnover, wage costs, and direct FTE jobs generated by visitor spending in the District.

The estimated turnover by sector is derived from the total visitor expenditure breakdowns generated in the previous stage of the Model (including non-local day trips only). However, evidence from national studies suggests that some minor adjustments are required to match visitor spend to business turnover. In particular, some expenditure on food and drink actually takes place in inns and hotels, which fall into the accommodation sector, and at attractions. The turnover for each business sector has therefore been adjusted to take account of these marginal changes.

More significantly, expenditure on travel costs associated with individual trips is equally likely to take place in the origin of the trip as the destination. It is therefore assumed that only 60% of total travel expenditure accrue to the destination area.

It should be noted that all job estimates exclude local government staff whose positions arise in the provision of tourism related services and functions. Also excluded are those jobs arising as a result of capital investment in tourism facilities. The Model has been adjusted in the light of recent national research which has highlighted the proportion of additional employment in museums, swimming pools and other public sector leisure facilities supported directly by public subsidy rather than visitor expenditure.

Table 13 - Direct FTE Jobs sustained by visitor spending, by business sector

	Turnover (£000's)	Wage costs (£000's)	Direct FTE jobs (no.)	(%)
Shops	36,780	7,724	373	(18)
Restaurants, pubs	46,920	14,076	824	(40)
Attractions, ents.	15,253	4,881	404	(20)
Garages, transport	11,050	2,210	107	(5)
Accommodation	18,237	6,018	352	(17)
Total	**128,240**	**34,909**	**2060**	**(100)**

Overall, it is estimated that more than 2000 FTE jobs are directly sustained in Winchester by visitor spending. Of these, 40% are in restaurants, cafes and public houses, 18% are in shops and retail, 20% are in attractions, cinemas, sports centres and other leisure/entertainment facilities, and the remainder are distributed between accommodation providers (17%), and the transport sector, including garages and public transport (5%).

iii) Linkage and Multiplier FTE jobs by business sector

The Cambridge Model is also able to estimate what may be best described as the 'secondary effects' of visitor spending. This is based on the recognition that the various sectors which make up the local economy are interdependent: sales for one business require purchases from others within the local economy. Thus, tourism expenditure has a 'cascading' effect throughout the host economy. In relation to employment, the secondary effects are of two types:

'linkage' jobs are those jobs in the District which can be attributed to the spending of tourists, but which arise out of the local purchase of supplies and services by the businesses in which visitors spend their money. Linkage jobs in firms such as goods wholesalers and service providers (e.g. cleaning firms and accountants), are sustained indirectly by the spending of visitors;

'multiplier' or 'induced' jobs are those jobs which result from the re-spending by employees of income earned, directly or indirectly, as a result of visitor spending in the District.

It is estimated that linkage (indirect) expenditure in Winchester amounts to an additional £26million.

Table 14 shows the estimated number of linkage and multiplier FTE jobs sustained indirectly by visitor spending in Winchester - an additional 813 FTE jobs.

Table 14 - Linkage and Multiplier FTE Jobs sustained by visitor spending, by business sector

	Linkage spend £000s	Linkage FTE jobs	Multiplier FTE jobs	Total indirect FTE jobs
Shops	2,942	59	43	102
Restaurants, pubs	11,730	234	106	340
Attractions, ents.	3,813	107	51	158
Garages, transport	276	6	11	17
Accommodation	7,295	146	50	196
Total	**26,057**	**552**	**261**	**813**

iv) Actual jobs by business sector

Table 15 shows estimates of the total number of full time equivalent and 'actual' jobs sustained in the District by visitor spending (directly and indirectly). To convert FTE job numbers into actual job numbers, the Model applies ratios reflecting the estimated number of part time and/or seasonal jobs (derived from business surveys undertaken by Geoff Broom Associates, PACEC and others) to the FTE estimates.

Table 15 - FTE and actual direct, indirect and total jobs by business sector

	Direct Jobs FTE	Actual	Indirect Jobs FTE	Actual	Total Actual Jobs
Shops	373	559	102	116	675
Restaurants, pubs	824	1235	340	388	1623
Attractions, entertainment	404	570	158	180	750
Garages, transport	107	151	17	19	170
Accommodation	352	521	196	223	744
Total employment	**2,060**	**3,037**	**813**	**926**	**3,962**

It is therefore estimated that 3,962 actual jobs are sustained directly and indirectly by the expenditure of visitors in Winchester District.

Of these, 41% are in catering, 17% in retailing, 19% are in attractions and other entertainment venues, 19% are in the accommodation sector and 4% are in the transport sector.

Conclusion

04 | SECTION

a) Key changes since 1998

The 1998 Study (based on 1997 data) provided the best estimate of the economic impact of tourism in the District at that time. The 2000 Study uses a three year rolling average to smooth out fluctuations in the national data, and therefore presents a truer picture. Comparison of results between the two years should be undertaken with caution, however, the overall trends are reliable and reflect the trends in tourism nationally.

The total number of trips to Winchester increased significantly from 2,712,000 in 1998 to 4,026,000 in 2000. Day visits from home increased by 60% between 1998 and 2000 (2,255,000 visits in 1998 compared with 3,625,000 visits in 2000), however, the number of staying visits and bednights spent in the District by both domestic and overseas visitors decreased significantly (401,000 staying trips and 1,553,000 bednights in 2000 compared with 457,000 staying trips and 1,849,000 bednights in 1998).

There was a decrease in the proportion of both bednights and staying visits made to the District by overseas visitors (14% of staying trips to the District made by overseas visitors in 2000, compared with 22% in 1998). This decrease may be linked to the strong sterling and poor weather conditions.

The profile of staying visits to Winchester showed a shift away from 'holiday trips' (53% of all overnight trips in 2000 compared with 61% in 1998), although a longer average length of stay resulted in an increase in the proportion of bednights spent in the District by visitors on holiday trips (62% of all bednights spent in the District in 2000 compared with 53% in 1998). The proportion of VFR trips to the District increased by 8% points, but was less significant in terms of overall bednights spent in the District (up 2% to 22% in 2000 compared with 20% in 1998). The proportion of trips and bednights in the District due to business and 'other' staying visits remained relatively unchanged compared with 1998.

The type of accommodation used by staying visitors showed a shift towards staying in the homes of friends and relatives and self-catering accommodation, and a move away from serviced accommodation, particularly hotels and guest houses compared with 1998. However, this estimate needs to be treated with some caution as it incorporates into the calculation 1000 self-catering bedspaces let out by King Alfred's College as from 2000.

Conclusion

The profile of day visits (from home) to the District showed a significant move away from visits to countryside locations towards visits to town locations. In 1998, 57% of day visits from home were to countryside locations and 43% to town locations, however, in 2000, the proportion of visits to town locations (including day business trips) had increased to 59%.

In real terms, day visits from home to countryside locations within the District increased from 1,280,000 visits in 1998 to 1,502,700 visits in 2000, while day visits from home to town/city locations within the District more than doubled from 974,000 visits in 1998 to 2,122,500 visits in 2000.

Comparison of expenditure figures between 1998 and 2000 should again be undertaken with caution, due to potentially greater margins of error in the 1997/8 data. Not surprisingly, the year on year increase in the total number of visits to Winchester District is reflected in an increased overall visitor spend (£135.6m in 2000 compared with £99.7m in 1998).

Expenditure within the district by staying visitors decreased from £61.8m in 1998 to £48.7m in 2000, however, expenditure by day visitors from home more than doubled from £37.9m in 1998 to £86.9m in 2000. This huge increase in expenditure by day visitors from home can be attributed to the significant increase in day visits to Winchester City and other town locations (including business day visits), where the potential for expenditure is higher than at most countryside locations.

Expenditure in the catering and attractions, entertainment and leisure sectors showed the greatest growth between 1998 and 2000. Expenditure on catering (£48.4m) accounted for 36% of total visitor expenditure in 2000, compared with 25% (£24.9m) in 1998. Expenditure in the attractions, entertainment and leisure sector accounted for 11% of total visitor expenditure in 2000 at £14.4m, and was again significantly higher than in 1998 (6% of 1998 total visitor expenditure at £6.4m).

Expenditure in the retail sector showed a small amount of growth in real terms (£37.2m in 2000 compared with £34.0m in 1998), but accounted for a smaller proportion of overall visitor expenditure compared with 1998 (34% of overall visitor spend in 1998 compared with 27% in 2000).

Conclusion

Expenditure on transportation within the District showed a healthy increase from £10.6m in 1998 to £18.4m in 2000, but accounted for a similar proportion of total visitor expenditure in 1998 and 2000 (11% and 13% respectively).

Expenditure in the accommodation sector fell from £23.8m in 1998 to £17.3m in 2000 (24% and 13% of total visitor expenditure in 1998 and 2000 respectively), reflecting the lower proportion of visitors staying overnight in the District.

Comparison of jobs sustained by visitor expenditure within the District between 1998 and 2000 should again be undertaken with caution. Not surprisingly, the increase in the total visitor expenditure is reflected in an increased number of jobs sustained within the District (3,962 actual jobs in 2000, compared with 3,172 actual jobs in 1998).

In terms of the proportion of jobs sustained by visitor spend in each sector, the catering, and attractions and entertainment sectors showed the most significant growth. 41% of jobs sustained by tourist spend were within the catering sector (30% in 1998) and 19% in the attractions/ entertainment sector (9% in 1998).

The accommodation sector accounted for only 19% of jobs supported by visitor spend in 2000, compared with 36% (the most significant employment sector) in 1998. Transportation accounted for a similar proportion of total jobs sustained by visitor spend in 1998 and 2000 (both 4%), while the retail sector showed a small decrease in the number of jobs supported by visitor spend (17% in 2000 compared with 21% in 1998).

b) Statistical Comparisons: 1998 with 2000 Study

Domestic Staying visitors:	1998	2000
Trips	357,000	346,000
Nights	1,254,000	1,263,000
Spend (£)	39.7m	35.8m

Overseas staying visitors:	1998	2000
Trips	100,000	55,000
Nights	595,000	289,000
Spend (£)	22.1m	13.0m

All staying visitors:	1998	2000
Trips	457,000	401,000
Nights	1,849,000	1,553,000
Spend (£)	61.8m	48.7m

1998 78% of staying trips by domestic visitors, 22% by overseas visitors
2000 86% of staying trips by domestic visitors, 14% by overseas visitors

1998 68% domestic visitor bednights, 32% overseas visitor bednights
2000 81% domestic visitor bednights, 19% overseas visitor bednights

1998 40% of direct visitor expenditure in Winchester by domestic staying visitors, 22% by overseas staying visitors (62% overall by staying visitors)
2000 26% of direct visitor expenditure in Winchester by domestic staying visitors, 10% by overseas staying visitors (36% overall by staying visitors)

Conclusion

Day visitors from home:	1998	2000
Trips	2,255,000	3,625,000
Spend (£)	37.9m	86.9m

1998 43% of day trips from home made to town/city locations, 57% to countryside locations
2000 59% of day trips from home made to town/city locations, 41% to countryside locations

1998 38% of all visitor expenditure accounted for by day visitors from home
2000 64% of all visitor expenditure accounted for by day visitors from home

All visitors:	1998	2000
Trips	2,712,000	4,026,000
Spend (£)	99.7m	135.6m

Accommodation used by staying visitors:	1998	2000
Homes of local residents	153,000 (33%)	168,000 (42%)
Hotel/ guest house	197,000 (43%)	66,000 (16%)
B&B	45,000 (10%)	27,000 (7%)
Self-catering	5,000 (1%)	104,000 (26%)
Touring	9,000 (2%)	6,000 (2%)
Group accommodation	29,000 (6%)	7,000 (2%)
Other	19,000 (4%)	23,000 (6%)

Profile of all overnight trips (bednights) in Winchester District:	1998	2000
VFR	20% (20%)	28% (22%)
Holiday trips	61% (53%)	53% (62%)
Business trips	12% (10%)	14% (11%)
Other trips	7% (16%)	5% (5%)

Conclusion

Profile of all overnight trips (bednights) in Winchester District:	1998	2000
VFR – % domestic staying trips (bednights)	21	28
VFR – % overseas staying trips (bednights)	15	28
VFR - % domestic staying visitor spend	17	11
VFR - % overseas visitor spend	8	26
All Holiday trips – % domestic staying trips	25	54
All Holiday trips - % overseas trips	65	47
Short breaks as % of domestic staying trips	35	21
Short breaks as % of domestic bednights	18	11
All Holiday trips - % domestic visitor spend	63	71
All Holiday trips - % overseas visitor spend	38	34
Business trips - % domestic staying trips	13	13
Business trips - % overseas trips	9	21
Business trips - % domestic visitor spend	16	15
Business trips - % overseas visitor spend	18	35
Other trips - % overseas trips	6	5
Other trips - % overseas bednights	39	4
Other trips - % overseas visitor spend	36	5

Total visitor expenditure by sector:	1998	2000
Accommodation	£23.85m (24%)	£17.27m (13%)
Catering	£24.85m (25%)	£48.37m (36%)
Retail	£33.99m (34%)	£37.15m (27%)
Attractions, ents. & leisure	£6.43m (6%)	£14.40m (11%)
Transportation	£10.62m (11%)	£18.42m (13%)

Employment in Tourism (actual jobs):	1998	2000
Direct	2,455	3,037
Indirect	717	926
Total	3,172	3,964

APPENDICES

DESCRIPTION OF THE CAMBRIDGE MODEL

1. INTRODUCTION

1.1 The Model has two basic stages. In the absence of any available local studies the first stage generates indicative estimates of the volume and value of tourism activity including day visitors within a local area. The second stage generates indicative estimates of the employment supported in the area by the tourism spending identified in stage 1, or which has been measured in existing local surveys.

2. ESTIMATING THE VOLUME AND VALUE OF TOURISM IN THE AREA

2.1 The first stage of the Model utilises information from national tourism surveys and regionally based data held by the tourist board. It distributes regional activity as measured in those surveys to local areas using 'drivers' such as the accommodation available which influence the distribution of tourism activity at local level.

Data Sources

2.2 The main national surveys used as data sources in stage 1 include:

- United Kingdom Tourism Survey 1995 (UKTS), providing information on tourism activity by UK residents.
- International Passenger Survey 1995 (IPS) providing information on overseas visitors to the United Kingdom.
- BTA Overseas Visitor Survey 1995 which provides additional information on overseas visitors.
- 1996 Day Visits Survey using information on visits of more than 3 hours duration and 20 miles travel from home primarily for leisure purposes.

2.3 These surveys provide information down to regional level and to a very limited extent at County level. In order to distribute these regional totals to local level, the following information sources available at District Council level are utilised.

- Records of known local accommodation stock held by Regional Tourist Boards, which includes both accommodation registered with the Boards and other establishments known to provide accommodation for tourists.
- Tourist Board surveys of Visits to Attractions, collecting data on the number of visitors to individual tourist attractions within their area.
- Registrar General's 1994 estimates of resident population as rebased on the 1991 Census of Population.
- Selected data from the 1993 Census of Employment.
- Selected data on the countryside and coast including areas, national designation and length of coastline.

Trips by type of accommodation

2.4 The UKTS provides information on the total number of trips to the Region and the relative proportions using different types of accommodation. By matching these figures to the supply of such accommodation recorded on the Regional Board's known stock information base, the regional average number of trips per bedspace or unit of accommodation can be derived. The UKTS also indicates the proportion of trips to the Region which are spent with friends and relatives so that the average number of such trips per resident in the Region can also be calculated.

2.5 The IPS provides information on the total number of overseas trips to the Region but does not provide a breakdown by type of accommodation used. However the BTA Overseas Visitor Survey does provide an analysis of main and other types of accommodation used by overseas visitors used outside London. Using this data, an average number of overseas trips by type of accommodation and per resident in the case of trips staying with friends and relatives can be calculated.

2.6 The average trip figures generated by different types of accommodation (e.g. hotels, B&B, holiday cottages, touring caravans and tents, static caravans, holiday villages, group accommodation and other forms of accommodation) and for trips staying with friends and relatives, can be used to generate an estimate of the number of trips to the local area. Assuming that the use of different types of accommodation is similar across the Region, applying the average trip figures to the estimated stock of accommodation in a particular local area and to the resident population provides an estimate of trips by type of accommodation in that area.

Staying Trips by purpose of visit

2.7 The UKTS and IPS surveys also provide a breakdown of the purpose of trips to the region, differentiating between holiday, business, visits to friends and relatives and other trips.

2.8 It is assumed that the volume of business tourism will broadly match economic activity in the area. Overall activity can be measured in terms of the Gross Domestic Product produced in the area, which again broadly relates to resident population. Therefore, the Model distributes business trips on the basis of resident population within counties within the region. Below county level, the location of overnight business stays is influenced by the supply of hotel accommodation (since a high proportion of business trips use such accommodation). Therefore, the Model distributes business trips to districts within any county according to the proportion of the county hotel accommodation in that district.

2.9 Trips to visit friends and relatives mainly stay in the homes of those friends and relatives or in commercial accommodation close to where they live. Therefore resident population has been used as a basis for distributing such trips. 'Other' trips are made for a wide variety of purposes including short education courses and health treatment. It is therefore difficult to identify a single driver to distribute such trips. However the number of such trips as a proportion of the total is relatively small, and is likely to reflect at least in part the population distribution within the region. Therefore, 'other' trips have also been distributed according to resident population. Holiday trips will make up the remaining trips to the locality after business, visits to friends and relatives and other trips have been accounted for.

2.10 The UKTS and IPS also provide data on the expenditure by trip purpose at regional level, from which an average spend per trip by type can be calculated. By applying this average spend figure per trip to the number of such trips estimated to take place locally, an estimate of total tourism spending in the local area can be made. The UKTS also provides information on the number of nights by purpose at regional level allowing a similar calculation to be made in respect of the local number of nights. The IPS provides an average number of nights by trip purpose at national level but not at the regional level. Therefore the Model uses the national average number of nights per trip in generating an estimate of overseas visitor nights in the local area.

2.11 Using the approach set out above the Model generates estimates of the number of trips by purpose to the local area and the associated number of nights and expenditure.

Day Trips

2.12 Information on day trips from home at the regional level is available from the 1994 Day Visits Survey. The survey includes all leisure related trips from home, but a large proportion are local trips made by people resident in the locality. The Model seeks to estimate all such trips for each area, but also uses information from the survey to estimate the number of longer day trips, defined at those lasting at least 3 hours and involving travel of over 20 miles.

2.13 The Day Visits Survey distinguishes between day visits to a town or city; to the seaside and coast; and to the countryside. Different drivers are used to distribute these trips within the region. However, a proportion of the trips will be to attractions within the region. The latter are therefore distributed on the basis of the attractions survey information collected by the BTA/ETB. The remaining trips are then distributed as follows:

- trips to towns and cities are dominated by leisure trips undertaken for sport and entertainment, shopping and similar activities. The Model therefore uses the relative importance of employment in retailing and entertainment services as a measure of the likely attractiveness of individual areas within the region and therefore the likely distribution of such trips.
- Trips to the seaside and coast can be divided equally between outdoor activities related to the coastline, e.g. walking, countryside hobbies and sports and activities related to the seaside resorts, e.g. shopping, sea bathing and the beach. Half the trips are therefore distributed on the basis of the overall length of coastline within the locality, and half on the basis of the proportion of employment in retail and entertainment in coastal districts within the region.
- Countryside trips include a high proportion of very local trips which include a round trip travel of 5 miles or less. It is assumed that these trips take place within the local district. The remaining countryside trips will be influenced by the amount and quality of countryside within the area. The Model therefore includes an index built up from the total area of countryside within the area, with additional weighting given to countryside designated as National Park and/or Area of Outstanding Natural Beauty.

2.14 The 1994 Day Visit Survey also collected information on the expenditure characteristics of different types of trip, allowing an average spend per type of trip to be calculated. The Model therefore includes both an estimate of the volume of day trips by type and an estimate of the expenditure associated with those trips.

Adjustments to the Model

2.15 The UKTS and IPS surveys provide estimates of the volume of trips, night and expenditure at County level. Therefore adjustments factors have been built into the Model to bring the forecasts using the Model into line with the totals for the constituent counties in the region. This adjustment reflects the variation between different parts of the region in terms of the relative performance against the regional average.

3. ESTIMATING THE ECONOMIC IMPACT OF TOURISM

3.1 The second stage of the Model uses the estimates of expenditure by different visitor groups within the local area as the basis for estimating the level of employment supported by that spending.

Data Sources

3.2 Apart from the estimates of expenditure by visitor type derived from stage 1 of the Model (or from available local visitor survey information), stage 2 of the Model also uses information from the following sources:

- The UKTS, IPS and Day Visit survey data on the breakdown of visitor spending.
- New Earnings Survey which provides information on wage levels by industry sector.
- An internal business database which includes data on the structure of business expenditure, local linkages and multiplier ratios drawn from a wide range of business and economic studies carried out by Geoff Broom Associates, PA Cambridge Economic Consultants and others.

Expenditure by business sector

3.3 Information on the breakdown of visitor spending is available from the three main tourism and day visitor surveys by type of visitor. For the purposes of the Model the expenditure breakdown is divided between five sectors, namely spending on:

- accommodation.
- shopping for gifts, clothes and other goods.
- eating and drinking in restaurants, cafes and inns.
- entry to attractions, entertainment and hire of goods and services.
- transport and travel costs including public transport, purchase of fuel and parking.

3.4 By applying the breakdown to the estimates of visitor spending, the Model generates estimates of total spending by the five business sectors. Visitor expenditure in each sector represents additional turnover for businesses in those sectors . However, evidence from national studies suggests that some minor adjustments are required to match visitor spend to business turnover. In particular, some expenditure on food and drink actually takes place in inns and hotels which fall into the accommodation sector, and at attractions. The turnover for each business sector has therefore been adjusted to take account of these marginal changes. More significantly, expenditure on travel costs associated with individual trips is equally likely to take place in the origin of the trip as the destination. It is therefore assumed that only 60% of total travel expenditure accrues to the destination area.

Estimates of direct equivalent full time employment

3.5 Having identified the value of turnover generated by visitor spending in each business sector, it is possible to estimate the employment associated with that spending. A portion of that turnover will be absorbed by wages for staff and drawings for the proprietors. The proportion will vary by business sector, thus wages are likely to be a smaller proportion of costs in retailing compared to accommodation or catering. The Model uses data from the Business information base to ascribe an average proportion of turnover taken by wage and drawing costs for each business sector.

3.6 By applying these proportions to the overall additional turnover in each sector, the amount of money absorbed by employment costs can be calculated. The New Earnings Survey provides data from which the average wage costs by business sector, adjusted to take account of regional differences, can be calculated. After allowing for additional costs such as National Insurance and pension costs, an average employment cost per full time equivalent job can be estimated. The number of such jobs in the local area can then be estimated by dividing the amount of business expenditure on wages and drawings by the average employment cost per job in each sector.

3.7 The use of visitor expenditure to generate job numbers underestimates the number of jobs arising in the attractions/entertainment sector. the underestimate arises because local authorities and voluntary bodies do not always seek to recoup the full operating costs of individual attractions of facilities from entrance charges. Therefore an additional percentage of direct employment is added to the attractions sector estimates to reflect this.

Estimates of indirect equivalent full time employment

3.8 Additional indirect employment arises as a result of expenditure by businesses in direct receipt of visitor expenditure on the purchase of goods and services. However only part of this expenditure will go to sources elsewhere in the region or even further afield. Using data from the Business information base, the average proportion of business turnover spent on local purchases by sector has been estimated. By applying that proportion to the additional business turnover arising from visitor spending, an estimate of the local spending on goods and services can be made.

3.9 This linkage spending will benefit a wide range of sectors ranging from producers including farmers and manufacturers, distributors, and service providers such as lawyers, bankers and window cleaners. The average turnover required to support a full time job vary widely by sector. The Model therefore assumes a figure of £50,000 turnover to support an additional linkage job. By applying this figure to the turnover respent on local goods and services, an estimate of the number of indirect jobs arising in the local area can be estimated.

Estimates of induced equivalent full time employment

3.10 In addition to the direct jobs and indirect linkage jobs supported in the local area by visitor spending, additional employment will be generated by multiplier effects, i.e. additional employment supported by the expenditure of wages earned in the direct and linkage jobs in the local area. Such multiplier jobs will again be spread across a wide range of sectors including retailing, catering and transport as well as public service jobs such as education, health and local government.

3.11 The degree of multiplier effect will depend on the nature of the local economy, since the number of higher level services tends to be concentrated in larger urban centres. The Model therefore uses average local multiplier ratios based on national studies ranging from 1:1.05 in rural locations to 1:1.15 or more in city locations. The multiplier ratio is applied to the total of direct and linkage jobs estimated in the local area. It should be noted that additional multiplier effects will arise outside the local area in the wider region as a result of expenditure in the local area.

Adjustments to take account of location characteristics

3.12 Apart from the differences in multiplier ratios, the type of location also results in other variations in economic impact. The Model therefore has been adjusted to take account of these variations in the following aspects:

- in rural areas and resorts, the proportion of small accommodation establishments run by owner managers is particularly high. In many cases, rather than draw wages in money, the proprietors will take benefit in other ways, e.g. meals, accommodation, transport. As a result the real employment costs in money terms falls below the average costs based on the New Earnings survey. Therefore an adjustment has been made to take account of this factor in rural and resort areas.
- a similar, though less pronounced, situation arises in the catering sector and therefore a similar adjustment has been made in resort and rural areas.
- linkage spending also varies by type of location and by sector. The Model therefore applies varying averages for the proportion of spend on local linkages depending on the type of location. Thus linkages are weakest in rural areas and strongest in cities.

Conversion of full time equivalent to actual jobs

3.13 The Model generates estimates of full time equivalent jobs based on visitor spending. However the total number of actual jobs will be higher when part time and seasonal working is taken into account. The full time equivalent jobs arising directly from visitor spending are converted into actual jobs using information from business surveys in the sectors receiving visitor spending. In general, the conversion factor varies around 1.5 in those sectors.

3.14 The indirect and induced jobs arise across a much wider range of employment sectors. Therefore the average of 1.16 for all sectors based on Census of

Employment data has been used to convert full time equivalent jobs in this sector to actual jobs.

3.15 The employment estimates generated by the Model include both self employed and employed people supported by visitor expenditure. However they do not include other tourism related employment such as jobs in local authorities arising from their tourism functions, e.g. tourist information staff, additional public health, parks and gardens, public conveniences and maintenance sections, and jobs arising from capital investment in tourism facilities.

4. LIMITATIONS

4.1 The Model in its basic form relies on using information from a range of sources. The methodology and accuracy of these sources varies, and therefore the estimates can only be regarded as indicative of the scale and importance of visitor activity in the local area. Thus the Model cannot take account of any leakage of expenditure in and out of the local area from tourists taking day trips in or out of the area in which they are staying. While it is assumed that these may broadly balance each other in many areas, there will be an underestimate in relation to overseas day visits from holiday accommodation in London to locations receiving significant numbers from that source.

4.2 The accuracy of the Model outputs can be improved by using data collected in local visitor and business surveys. Such data can then be used to customise the Model to take full account of local characteristics.